

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6840**

**BILL NUMBER:** HB 1337

**NOTE PREPARED:** Jan 10, 2008

**BILL AMENDED:**

**SUBJECT:** Elimination of property taxes.

**FIRST AUTHOR:** Rep. Thompson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_**GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Eliminates all ad valorem property taxes. Reduces the state adjusted gross income tax. Requires the reduction of county adjusted gross income taxes, county option income taxes, and county economic development taxes to eliminate the part raised to provide property tax replacement credits or homestead credits. Provides for: (1) the implementation of a local residential income tax, a local fire and safety benefit tax, a state business activity tax, and a state employment location tax; and (2) the use of utility receipts taxes to replace revenue lost to political subdivisions from the elimination of property taxes. Increases the state gross retail and use tax. Makes other changes. Makes an appropriation.

**Effective Date:** July 1, 2008; January 1, 2009; February 1, 2009.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.